

COASTAL CONSERVANCY

Staff Recommendation
November 9, 2006

SIX RIVERS TO THE SEA: VALLEY VIEW RANCH EASEMENT

File No. 06-045
Project Manager: Su Corbaley

RECOMMENDED ACTION: Authorization to disburse an amount not to exceed \$1,000,000 to the California Department of Forestry and Fire Protection to acquire a conservation easement over the Valley View Ranch in Petrolia, Humboldt County.

LOCATION: Petrolia, Humboldt County

PROGRAM CATEGORY: Integrated Marine and Coastal Resources Enhancement

EXHIBITS

- Exhibit 1: Project Location and Site Map
 - Exhibit 2: Six Rivers to the Sea Phase 1 Properties
 - Exhibit 3: Views of Valley View Ranch
 - Exhibit 4: Letters of Support
-

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Section 31220 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed \$1,000,000 to the California Department of Forestry and Fire Protection (“CDF”) to acquire a conservation easement over the Valley View Ranch (Humboldt County Assessor’s Parcel Numbers 104-231-002, 104-231-007, 104-232-001, 104-232-002, 104-232-007, 104-242-004, 104-242-005, and 105-151-006) as depicted in Exhibit 1 of the accompanying staff recommendation. This authorization is subject to the following conditions:

1. Prior to the disbursement of any Conservancy funds for the acquisition of the conservation easement CDF shall:
 - a. Submit to the Conservancy for review and approval by the Executive Officer of the Conservancy (“the Executive Officer”), all documents relevant to acquisition, including, but not limited to, an appraisal, purchase agreement, final conservation easement,

baseline conditions report, easement monitoring plan, escrow instructions, and documents of title.

- b. Provide written evidence to the Executive Officer that all other funds necessary to the acquisition have been obtained.
2. CDF shall pay no more than fair market value for the conservation easement as established by an appraisal approved by the Executive Officer of the Conservancy.
3. The easement interest acquired under this authorization shall be permanently dedicated to and managed and operated in a manner consistent with the purposes of protecting riparian habitat, preserving the function and sustainability of the forestlands, protecting the rangeland for grazing and preserving and protecting the scenic open space characteristics of the property.
4. Conservancy funding shall be acknowledged by erecting and maintaining on the property a sign that has been reviewed and approved by the Executive Officer.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed authorization is consistent with the purposes and criteria of Chapter 5.5 of Division 21 of the Public Resources Code (Section 31220) regarding protection of coastal resources.
2. The proposed project is consistent with the Project Selection Criteria and Guidelines adopted by the Conservancy on January 24, 2001.”

PROJECT SUMMARY:

Staff is recommending the Conservancy authorize the disbursement of up to one million dollars (\$1,000,000) to the California Department of Forestry and Fire Protection (“CDF”) to acquire a conservation easement over the 1,532-acre Valley View Ranch, in Petrolia, Humboldt County. The property is located in an area at high risk of conversion from scenic open space to denser residential development, or to less appropriate or intensive agricultural uses such as vineyards or irrigated crops.

The acquisition of an easement over the Valley View Ranch is one of five projects identified under Phase I of the “Six Rivers to the Sea” program. This is a landscape-scale land-conservation program, which, through the development of conservation easements on working agricultural and forest lands, is designed to protect and preserve the scenic and natural habitat resource values of the north coast while continuing the north coast’s culture and tradition of working, sustainable, lands. Six Rivers to the Sea presents an opportunity to create a corridor of protected lands from Six Rivers National Forest to the Pacific Coast, in an area which is under imminent threat of development. Since 1993, at least 10 extensive forest or ranch ownerships have been subdivided in Humboldt County, and all of the ranch/forest tracts participating in Phase I of Six Rivers to the Sea have received offers from developers within the last 4 years; each has a developed subdivision within three miles of its boundary.

On the North Fork Mattole River near Petrolia, where Valley View Ranch is situated, the weather is temperate and sunny in the summer and early fall months making it especially appealing for conversion to vacation homes on smaller tracts, or boutique industry agriculture uses with higher market value. The Valley View Ranch property is zoned TPZ (Timber Production Zone) and AE (Agricultural Exclusive) 20 minimum, which could allow the property to be subdivided for ranchette development. The owners of Valley View Ranch, Mr. and Mrs. Frances Sweet, whose family has been on this land since 1886, have struggled financially for several years to keep solvent and thus far have avoided subdividing or otherwise changing the agricultural and forestry uses of the property. They are elderly and have multiple heirs with potentially different interests for the future of the land. This combination of uncertainty put the property at extreme risk for conversion from its current uses unless the owners are able to sell an easement that will protect the land forever as working timber and ranch land, and open space.

CDF will acquire the conservation easement utilizing, in addition to Conservancy funds, Forest Legacy funds appropriated to it in 2005. The Forest Legacy Program (FLP) is a federal program of the United State Department of Agriculture Forest Service that supports state efforts to protect environmentally sensitive forestlands by helping the states develop and carry out their forest conservation plans through the protection of privately owned forestlands. To maximize the public benefits it achieves, the program encourages and supports the acquisition of partial interests such as conservation easements in privately owned forestlands. Most FLP conservation easements restrict development, require sustainable forestry practices, and protect other values such as riparian function. The Six Rivers to the Sea program has been developed with Forest Legacy objectives in mind by a partnership of the Northcoast Regional Land Trust and a Humboldt County local working lands restoration organization, Northwest Resources, in conjunction with CDF. CDF is a public agency whose mission emphasizes the management and protection of California's natural resources.

The key limitations imposed on forestry practices by the conservation easement will likely include: 1) a deferral of any commercial timber harvest until the forest on the property has adequately recovered from past timber harvest activities; 2) when commercial forestry resumes, a restriction on the extent of timber harvest to no more than 25 percent of merchantable timber inventory may be cut in any 10-year period; 2) a limitation on openings created by timber harvest, so that openings do not exceed 10 percent of the forestland at any one time; and 3) if, as measured every 20 years, the total volume of timber on the property has not increased from the volume existing as of the point at which commercial timber harvest may resume, the percentage of harvest will be reduced by 5 percent for the next ten year period.

With these forestry practice restrictions in place, the Valley View Ranch conservation easement is expected to result in productive, sustainable forestlands of increasing volume. The conservation easement is also designed to preserve the grazing land productivity and protect the associated scenic and open space characteristics of the grazing land and protect riparian corridors and habitat, particularly salmonid habitat. In particular, the easement includes provisions that will: prohibit residential subdivision and development; bar commercial timber harvest within riparian corridors; encourage increased volume and diversity of the forestlands; limit onsite mineral exploration/extraction to onsite uses only; prohibit the establishment of certain commercial facilities; allow certain onsite value-added activities such as small-scale furniture manufacture that rely on onsite resources; prohibit dumping except for nonhazardous wastes generated by normal ranching and forestry operations; control the construction and placement of

new and replacement structures; control the number and placement of new roads, prohibit the off-road use of vehicles except as necessary for ranching and forest management activities, limit development of water resources to those necessary for ranching and forest management activities and prohibit viticulture and agriculture involving irrigated crops.

The proposed easement project has been developed and is expected to be fully consistent with the draft “standards and practices” for conservation easements which will be presented to the Conservancy for possible adoption at its November 2006 meeting. An acceptable baseline conditions report will be required prior to funding; all relevant acquisition documentation will be reviewed, approved and retained by the Conservancy; minimum monitoring protocols will be identified in the easement and a consistent monitoring plan will be reviewed and approved by the Conservancy before funding; and the easement will include the “essential provisions” and Conservancy enforcement rights in the form required by Conservancy enabling legislation and bond funding appropriation.

Site Description: The Valley View Ranch is located in the town of Petrolia on the North Fork Mattole River, approximately one-half mile from its confluence with the main stem Mattole upriver of the estuary. Currently the property uses and associated acreages include 704 of forest land and 828 of open grazing land (Exhibit 3).

The Valley View property boundary extends into the North Fork of the Mattole River, making it a critical factor in protecting the lower reaches of the river. The property extends from the north fork of the river into the high hills to the east to elevations exceeding 1000 feet above sea level. The topography includes several deep and forested ravines that drain from high on the property to the North Fork Mattole and include the headwaters of tributaries that feed Mill Creek, which supports salmonid anadromy. Current land uses include cattle and sheep grazing, forestry and riparian zones. The North Fork Mattole provides habitat for Chinook and Coho salmon and Steelhead trout. Further, the North Fork drains into the main stem Mattole upriver from its estuary which provides critical over-summering habitat for Chinook salmon.

Project History: In 2003, local Humboldt landowners and land stewardship organizations developed the concept of the Six Rivers to the Sea program. The idea spawned from a previous Conservancy project - the Howe Creek Ranch Conservation Easement, authorized by the Conservancy in June 2002.

Phase I of the Six Rivers to the Sea program identified five projects totaling 17,000 acres that when completed will combine with adjacent and nearby regional protected lands to create 66,000 acres protected from development, and preserved for their open space and resource values (Exhibit 2). Two of those five projects, including the Price Creek Ranch Conservation Easement authorized by the Conservancy in December 2005, were successfully completed in August 2006; Valley View Ranch is one of the three remaining Phase I properties that together total 11,000 additional acres.

In 2003 the Conservancy was asked to participate in Six Rivers to the Sea and since late 2004, Conservancy staff, and agency and landowner partners, have been developing the projects including, in addition to Valley View, the Price Creek Ranch Conservation Easement project, which was authorized by the Conservancy in December 2005 and completed in August 2006.

The appraisal of the Valley View Ranch has been completed and is undergoing review by the California State Department of General Services. It is anticipated the acquisition will be completed by June 2007.

PROJECT FINANCING:

Coastal Conservancy	\$1,000,000
Forest Legacy Program	400,000
Total Project Cost	\$1,400,000
<i>Total Conservancy Contribution</i>	<i>\$1,000,000</i>

The expected source of Conservancy funds is twofold: the bulk of the funding is anticipated to come from the fiscal year 2002-03 appropriation to the Conservancy from the “California Clean Water, Clean Air, Safe Neighborhood Parks and Coastal Protection Fund” (Proposition 40) and the balance from the fiscal year 2004-05 appropriation to the Conservancy from the Water Security, Clean Drinking Water, Coastal and Beach Protection Fund of 2002 (Proposition 50).

The Proposition 40 funds were appropriated to the Conservancy under the Watershed, Clean Beaches and Water Quality Act (“AB 2534”). AB 2534 added Chapter 5.5 to the Conservancy’s enabling legislation (Public Resources Code § 31220) and appropriated funds from Proposition 40 to the Conservancy to carry out projects that are described under Section 31220. As discussed below, authorized projects include those that, like the proposed project, serve to reduce contamination of waters within the coastal zone, protect or restore fish and wildlife habitat within coastal watersheds or reduce unnatural erosion and sedimentation of coastal watersheds. The acquisition of a conservation easement over the Valley View Ranch, the major objectives of which include protecting and preserving open space from inappropriate uses and development, protecting and preserving riparian habitat that will benefit water quality, providing for forestry management practices that will increase forest health and function, protecting grazing lands, and reducing or controlling surface erosion from entering the on-property creeks through the imposition of land management restrictions, falls squarely within these requirements. It is also consistent with Division 21, as discussed in detail below, under the heading “Consistency with Conservancy’s Enabling Legislation”.

Proposition 40 also requires the Conservancy to give priority to grant projects with matching funds (Public Resources Code Section 5096.651). The proposed project is supported by a commitment by CDF to provide substantial matching funds for the acquisition of the easement. Further, CDF has contracted with a local land trust, and has committed its own staff, to carry out easement monitoring activities. Additionally, WCB may contribute to the project cost share with State-appropriated Forest Legacy funds under Proposition 12. If so, Conservancy funds would remain at \$1,000,000 while CDF and WCB would each contribute matching funds to the project, thus allowing CDF and WCB to leverage future Forest Legacy projects.

For similar reasons, the proposed project is consistent with the anticipated Proposition 50 funding. Proposition 50 authorizes the Conservancy’s use of funds for the purpose of protecting coastal watersheds through projects undertaken pursuant to Division 21 of the Public Resources

Code to acquire, restore or protect water and land resources (Water Code Section 79570). The acquisition of the conservation over the Valley View ranch achieves just these objectives and is consistent with Division 21, as discussed in detail below.

As also required by Proposition 50, the proposed project is consistent with local and regional watershed plans (Water Code Section 79507), as described below under “Consistency with Local Watershed Management Plan/State Water Quality Control Plan”.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project would be undertaken pursuant to Chapter 5.5 of the Conservancy's enabling legislation, Division 21 of the Public Resources Code, regarding integrated coastal and marine resource protection.

Consistent with Public Resources Code Section 31220(a), the Conservancy has consulted with the State Water Resources Control Board in the development of this grant to ensure consistency with Chapter 3 (commencing with Section 30915) of Division 20.4 of the Public Resources Code.

Under Section 31220, the Conservancy may award grants for coastal watershed restoration projects that meet any of the objectives specified in subsection (b) of that section. Consistent with Section 31220(b), the proposed project will assist in moving forward a program to (1) restore fish and wildlife habitat within coastal waters and coastal watersheds by encouraging regeneration of a sustainable Douglas Fir forest on the property including the preservation and promotion of riparian canopy on tributaries to the Mattole River system, an important coastal resource for salmonids; (2) reduce threats to coastal and marine fish by providing habitat that will foster population successes; (3) reduce unnatural erosion and sedimentation of coastal watersheds through reestablishing a healthy forest-stock, employing best management practices for grazing, and enhancing riparian habitat for anadromous fish; and (4) acquire and protect riparian areas and sensitive watershed lands draining to sensitive coastal areas.

As required by Section 31220(c) the easement, when acquired, will include a monitoring and evaluation component through easement monitoring by a local land trust, the Northcoast Regional Land Trust. Finally, as required by Section 31220(c), the project is consistent with state and regional watershed planning as described below under “Consistency with Local Watershed Management Plan/State Water Quality Control Plan”.

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 4, Objective A**, the proposed project will result in the acquisition of a conservation easement interest on 1,532 acres of significant coastal resource property that would protect habitat and wildlife corridors by preserving scenic vistas, open space and agricultural lands.

Consistent with **Goal 5, Objective A**, the proposed project will result in the preservation and enhancement of biological diversity in a coastal area through the acquisition of a conservation easement on 1,532 acres of timber and rangeland that will be managed to increase the forest

cover, preserve the rangeland and soils, thus enhancing available habitat through sustainable and protective land management.

Consistent with **Goal 5, Objective B**, the proposed project will lead to the acquisition of 1,532 acres of coastal habitat through the preservation of key salmonid habitat on an anadromous salmonid bearing tributary to the Mattole River.

Consistent with **Goal 6, Objective A**, the proposed project will assist in providing improved habitat for anadromous fish through the protection of riparian habitat critical to anadromous salmonids in the lower Mattole River watershed, and improvement of upslope habitat through sustainable and healthy land use practices.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The Six Rivers to the Sea Program has wide support, including that from the Natural Resources Conservation Service, the U.S. Forest Service, and the California Department of Fish and Game. Specifically, the acquisition of a conservation easement on the Valley View Ranch is supported by California Senator Wes Chesbro, California State Assemblymember Patty Berg, and Humboldt County Supervisor Jimmy Smith. See Exhibit 4 for letters of support for the Six Rivers to the Sea program and the Valley View easement.
4. **Location:** The Valley View Ranch is located partially within the coastal zone of southern Humboldt County. The property boundary is within a coastal watershed that encompasses approximately 2 miles of the North Fork Mattole River, a significant tributary that drains to the main stem Mattole River upriver of its estuary.
5. **Need:** Like so many owners of working lands in Humboldt County, it is difficult for the property owners to keep or maintain their property due to financial pressures. The property owners are committed to conserving the property as open space for ranching and forestry. However, the owners are elderly and have many heirs, with differing goals for the future uses of the property. Without Conservancy funding to fill the gap remaining in already-secured Forest Legacy funds, the project may not be completed in time to keep the tracts intact.
6. **Greater-than-local interest:** Many people are drawn to Humboldt County for its open space and rural ambience, and its history of tall timber and wild and rugged ranching. Preserving the landscape that established that history is critical to maintaining the appeal for people across the nation, as well as to supporting the regional economy of the small rancher and

timber operator. In addition, protecting the land from inappropriate uses will garner protection for salmonids which are, of themselves, a large draw for tourism and vital to the fishing industry throughout the state of California.

Additional Criteria

7. **Urgency:** The owners are in the process of planning their estate and must be able satisfy the financial burden of the property in order to do so soon, or they will be faced with subdividing and selling the property.
11. **Innovation:** This project demonstrates an innovative approach to protecting and enhancing important coastal resources while providing for continued sustainable use of the forestry and grassland resources on the property
12. **Readiness:** The project is ready to go. The funding will be in place in early 2007, and the acquisition should be completed by June 2007.
15. **Cooperation:** This project is a uniquely cooperative effort between local ranchers, a local nonprofit organization, state and federal agencies forestry agencies, and the Coastal Conservancy to implement a project that will protect fish and wildlife open space and habitat, and preserve the local heritage important to the local community.
13. **Realization of prior Conservancy goals:** See “Project History” above.

CONSISTENCY WITH LOCAL COASTAL PROGRAM POLICIES:

The Humboldt County Local Coastal Plan, South Coast Area Plan (LCP) discusses land use for this region of Humboldt County. Several sections of the LCP relevant to this project are identified below.

Section 3.41.A.1.e identifies as environmentally sensitive areas that are critical habitats for rare or endangered species on state or federal lists. The listed species Chinook, Coho salmon and steelhead trout inhabit and spawn in the Mattole River.

Section 3.41.E.2 identifies the Mattole River as a significant coastal stream, and incorporates by reference Section 30231 of the Coastal Act, regarding maintaining the biological productivity and the quality of coastal streams. Implementing this project will result in protection of biological resources and water quality of the Mattole River system, particularly the North Fork and estuary which provide habitat for Chinook and Coho and steelhead salmon.

This project is also consistent with Section 3.41.E.6 which discusses natural drainage courses, stating that they “. . . shall be retained and protected from development which would . . . have a significant adverse effect on water quality or wildlife habitat.”

CONSISTENCY WITH LOCAL WATERSHED MANAGEMENT PLAN/ STATE WATER QUALITY CONTROL PLAN:

Section 2.3.3 of the North Coast Regional Watershed Initiative Chapter (North Coast Regional Water Quality Control Board *Feb. 2005*) of the State Water Planning Strategic Plan discusses the Mattole River Watershed and contamination from nonpoint sources, and recommends local and

regional efforts to reduce the sources of sedimentation that adversely affect Coho and Chinook habitat.

The proposed project is consistent with the above plan in that it will protect against inappropriate land uses or conversion and promote sustainable and healthy forest management practices thereby reducing sediment deposition to the North Fork Mattole River.

COMPLIANCE WITH CEQA: This project is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations (CCR) Section 15325, since it involves the transfer of an interest in land for the purpose of preserving open space, habitat and existing agricultural use. Staff will file a Notice of Exemption upon approval of this project.